

Carbon Reduction Project

Basic Information

Contact Name and Details	Thaddeus Dell, Carbon Reduction Policy Officer 020 7467 5108 dellt@methodistchurch.org.uk
Status of Paper	Final
Action Required	Decision
Draft Resolution	Council approves recommendations 1 and 2. Council supports draft recommendations 3-5 for presentation to the Conference.
Alternative Options to Consider, if Any	None

Summary of Content

Subject and Aims	This report updates the Council on the exciting and challenging work undertaken on the Carbon Reduction Project since October 2009. The report is structured to provide a context, how it fits with discipleship and how it makes a difference to local churches. It also identifies forthcoming work. It also reports progress made on Methodist Conference Resolution 10/1 (f) and (g), although they are not part of the Carbon Reduction Project.
Main Points	<p>Key recommendations are set against the aims of the project and are contained in the carbon reduction project report. They cover the Methodist Conference 2009 resolution 10/1 in which the Methodist Conference:</p> <p>(d) directed the Methodist Council to investigate innovative approaches to the application of Methodist grant funds and reserves including the possibility of making available long-term affordable loans to enable circuits to meet the capital costs of improvements to buildings from the financial savings achieved in later years, thereby better enabling Circuits to take advantage of available statutory grant-funding.</p> <p>(e) directed the Methodist Council to establish a project to consult widely with Circuits and Districts to:</p> <ul style="list-style-type: none"> i) identify appropriate and realistic approaches to assessing the carbon output of the Methodist Church in order to determine how to bring about a reduction in carbon emissions across the whole of church life in line with the national goal of a minimum 80% reduction by 2050 and appropriate interim targets ii) assess Methodist Church travel and other policies iii) make recommendations in relation to energy audits of all manses and other church buildings iv) bring to the Methodist Conference in 2010 a further report on the items i) to iii) above, and on other measures that may be required adequately to resource Circuits and Districts in their responses to Hope in God's Future <p>(f) welcomed measures planned or underway to assess and reduce the carbon footprint of the Connexional Team and requested that the Methodist Council remain appraised of progress</p>

	(g) welcomed the introduction of the UK Climate Change Act but was deeply concerned that the UK Government has not articulated a strategy for achieving the rapid decarbonisation of the economy implied by this legislation and commensurate with the challenge that we face.
Background Context and Relevant Documents (with function)	<p>Methodist Conference in 2009 directed the Methodist Council to establish a carbon reduction project and bring forward measures that may be required to adequately resource circuits and districts in their responses to 'Hope in God's Future' - Christian Discipleship in the Context of Climate Change.</p> <p>Methodist Conference Reports:</p> <p>2007 Caring for Creation in the Face of Climate Change. Methodist Conference resolved to 'urge Local Churches, Circuits and Districts to monitor and reduce their carbon emissions and directs the Connexional Team to identify available resources for these purposes'.</p> <p>2009 Hope in God's Future – Discipleship in the Context of Climate Change. The report, developed in association with the Baptist Union of Great Britain and the United Reformed Church, is an exploration of Christian discipleship in the context of climate change and seeks to provide the Methodist Church with a theological assessment and proposals for translating reflection into action.</p>
Consultations	The project involved a targeted consultation capturing the views of 180 Ministers, Church Treasurers, Circuit Treasurers and Property Secretaries.

Summary of Impact

Standing Orders	None
Faith and Order	None, but has had significant involvement in production of Hope in God's Future.
Financial	Positive impact with savings on energy bills across the connexion by making billing and consumption efficient. By looking at carbon management churches may look at their church in a new way.
Personnel	The report suggests major benefits in establishing an ongoing energy management resource funded by commissions from bulk energy purchase.
Legal	If the existing energy performance of buildings legislation were to be amended we would have a programme in place to measure, monitor and manage our emissions. It is assumed that there will be ongoing changes to legislation governing carbon emissions and energy efficiency due to the passing of the Climate Change Act (2008).
Wider Connexional	There will be an opportunity for the wider connexion to play its part in carbon reduction by taking up initiatives and resources as part of the carbon reduction programme.
External (e.g. ecumenical)	There is ongoing work with the United Reformed Church and the Baptist Union of Great Britain, particularly in providing resources as and when they arise, onto the 'Creation Challenge' website. As opportunities arise we will look to share them with other denominations.
Risk	Risk of poor response and take up by connexion, leading to difficulties in measuring carbon footprint and delivering on carbon reduction target. To minimise this, a robust carbon reduction programme needs to be put in place that appeals to churches and will continually encourage churches to effectively sign up.

Carbon Reduction Project Report

1.0 Introduction

1.1 Methodist Conference has called us to bring forward measures that may be required to adequately resource circuits and districts in their responses to "Hope in God's Future - Christian Discipleship in the Context of Climate Change". This presents churches with an exciting opportunity to think about how such an important challenge relates to each congregation and what the church can say about it. This can be demonstrated through the use of its building, what it communicates to its community by way of Christian witness and even the way in which the church operates.

1.2 This report, with recommendations, provides an update on progress to date on the specific aims of the carbon reduction project. Effective carbon management is about measuring emissions, setting reduction targets, implementing carbon savings and measuring again while sharing best practices within and beyond the Connexion.

1.3 The main points that stood out from the consultation indicated:

- The majority of churches had discussed an aspect of energy management within the last six months.
- When asked if they would be interested in a bulk purchase scheme for energy, 71% of respondents said 'yes' or 'required further information'.
- The majority felt the priority for a bulk purchase scheme is the cheapest available.
- Half of respondents were personally interested in energy auditing training.
- The key requirements to improve the energy efficiency of church buildings are technical advice, funding and training.
- 65% of respondents said that their church is not currently undertaking or planning any projects to reduce its emissions.

1.4 An interesting point which arose in the survey identified the majority of respondents believing the electricity tariff they are on is the correct one. This conflicts with an analysis of sample bills from 41 churches which has shown that on the basis of bringing these electricity supplies into a managed bureau service, this would deliver 20% savings in electricity costs equivalent to £10,000 p.a. across the sample.

1.5 The Methodist Church has a target of an 80% reduction in emissions by 2050. There currently is no baseline to measure this target against, but the baseline will be dependent on availability of data. The baseline will develop over time as the data is refined and made available. Action to reduce the carbon footprint cannot wait for measurement to be put in place, as reduction must be at a quick pace to assist with the stabilisation of CO₂ emissions at a level consistent with a rise in global temperature of no more than 2°C rise. This requires that global emissions peak in the period 2015-2020. It is clear from the first part of the project that leadership and a long term step by step approach to help District and Circuits is required.

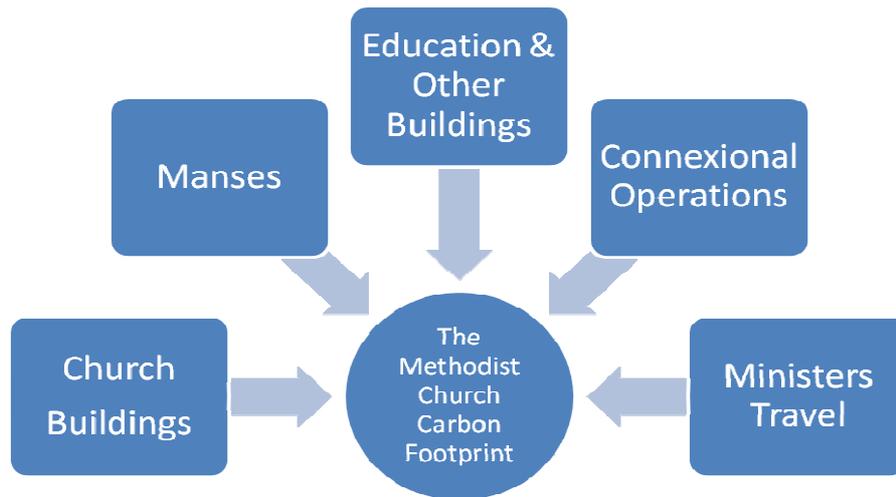
1.6 It has been recommended by the strategic leaders and senior managers that an ambitious interim target of a 24% reduction within 5 years (2010-2015) is to be adopted. This will aim to capture the more obvious reduction activities and the rate then may become harder over time.

1.7 The project outline for the carbon reduction project identified a number of aims in line with the conference record. These aims are now provided with a summary of implementation and recommendations.

2.0 AIM 1

Identify realistic approaches to measuring the carbon footprints of churches, circuits, districts and Connexional team and the associated costs and benefits:

2.1 The Connexion needs to understand its boundary for direct carbon footprint (see diagram below). The Church should adopt a control approach under which we only report and deal with emissions for which we have control or ownership. Emissions can be direct (such as from boilers or vehicles), indirect (use of electricity) or other indirect means (such as purchasing – but should really be those that can be measured and significant). The Methodist Church should report its emissions to cover the Church year.



2.2 A range of approaches have been appraised. A realistic approach is to partner with an energy bureau service (consultancy) which will provide an analysis of the opportunities for saving on energy bills, centralised procurement and energy monitoring. This will allow accurate and historical carbon footprint data to be monitored.

2.3 **A major additional benefit** would be to generate a revenue stream to the Methodist Church to serve churches across the Connexion with carbon reduction support, in partnership with an energy bureau service. This means the standard commissions from energy supply companies would be equally shared between the bureau and the Methodist Church through the Connexional Team. The commission received by the Connexional Team from this partnership would be used to provide an ongoing carbon management service to churches. This scheme could be extended to include other denominations and investigate the logistics of subsequent mutual benefits.

2.4 To support this approach, samples of churches' energy bills have been analysed. On the basis of our initial forty sample sites, it is estimated that the church buildings energy consumption is in the order of £16M p.a. Educational and other buildings could represent another £1M of energy procurement, bringing the total Methodist Church energy bill in the order of £17M p.a. Energy procurement for manses could represent a further £2M – the payment of which is the ministers' responsibility.

2.5 It is estimated that this equals around 120,000 tonnes of CO₂ emissions to the atmosphere per annum and hence represents a significant carbon footprint. It is

estimated that significant financial and carbon savings can be achieved for churches that choose to sign up to a Connexional energy bureau service.

2.6 It has been decided by the strategic leaders and senior managers to work on contractual arrangements for an energy bureau service. The energy bureau service, together with the Connexional Team will work on the delivery and partnering methodology.

3.0 AIM 2

a) Identify how established policy and practice impacts on the carbon footprint of the Methodist Church

b) Coordinate the review of key policies in order to achieve significant reductions in the Church's carbon footprint in line with the UK Government's targets of a minimum 80% reduction by 2050 and appropriate interim targets.

3.1 The outcomes of the review work on existing policies impacting on Methodist Church carbon emission/footprint is continuing and a report on findings together with recommendations will be presented to April Council.

4.0 AIM 3

a) Identify the opportunities and constraints to the bulk buying of green electricity

b) To establish appropriate options available to the Connexion and Districts for the purchasing of green electricity including bulk buying.

4.1 It is considered that through the establishment of an energy bureau service to analyse bills and then offer a bulk purchasing energy contract we can begin the significant task of measuring our carbon footprint whilst achieving the following savings across the Connexion:

• Electricity tariff changes	£1.4M
• Electricity competitive tendering and procurement	£1.3M
• Natural Gas competitive tendering and procurement	£1.7M
Total	£4.4M per annum

4.2 This represents a substantial opportunity to deliver financial and administrative savings to Methodist properties across the Connexion. In addition, we would strongly anticipate that credits to the quarterly bills of £1M will be achieved through establishing more robust billing against meter readings.

4.3 In addition to the above energy savings, a robust carbon reduction campaign to target a 24% carbon reduction through the duration of five years has the capacity to deliver an additional £2.8M savings p.a. This will result in a total of £8M in savings per annum if 100% of the Connexion participates.¹ Through the energy bureau service, and by achieving high standards in energy efficiency, anticipated savings for ministers is expected to be in the region of £1M.

4.4 Obtaining the amount of green electricity required for a Connexional bulk buying scheme will be difficult and the price may well be at a premium. Calculating the greenhouse gas emissions from green tariffs now uses the same conversion factor as the normal grid supplied electricity. Therefore adopting a strategy of purchasing green electricity will not reduce our carbon footprint.

¹ Leeds District bulk purchasing scheme achieved a 60% take up within the first year. Methodist Insurance has 99% of all churches signed up. This is an indication of unity and cooperation in the Connexion that can drive the success of this scheme.

4.5 If we procure the electricity at the most competitive price (as preferred by respondents to the consultation) this will enable churches to re invest the financial savings in carbon reduction initiatives to save even more money going forward.

4.6 If the Methodist Church wants to support renewable energy the most effective way is to develop a local scheme e.g. solar energy for the manse or church.

Recommendations for decision by Council:

1. In partnership with an energy bureau service to continue investigating the development and delivery of a long term centralised service for the Connexion in order to achieve the estimated savings and benefits identified in this report.

2. Any bulk purchasing carried out as part of the energy bureau service should consider suppliers' renewable energy content.

5.0 AIM 4

To examine cost effective options for energy saving or the generation of energy from renewable sources through adaptation to buildings owned by the Methodist Church, to contribute to the intention to drive down emissions by at least 3% per year.

5.1 Good carbon management is about creating momentum to deliver root and branch change within an organisation. These recommendations attempt to start the process of tackling carbon reduction in manses and church buildings. We have begun to promote energy saving messages to congregations for their own homes along with trialling an energy auditing training session.

5.2 With match funding and in partnership with the government funded Carbon Trust, the Methodist Church is undertaking a demonstration project with energy audits for a selection of various types of churches. The aim is to determine the cost benefit of a range of energy saving measures, with details relevant to the Methodist church property portfolio. This information along with other resources will be made available for church councils to allow the decision making process regarding technical and financial implications easier.

5.3 As part of the Carbon Reduction project The Connexional Team aim to run an energy auditing pilot to determine the average level of investment required for generating carbon reduction savings and to demonstrate the benefits.

Recommendations for decision by Conference:

3. Circuits should endeavour to use model trust money to put in place high standards of energy efficiency (as stated in CPD Book VI, Part 2 Guidance, Section 1c). This will help save ministers an average of £350 per manse p.a. on energy bills which is equal to c. £800k p.a. for ministers across the Connexion.

4. Circuits to consider engaging an approved 'Energy Performance Certificate' surveyor via an approved register of surveyors (cost c. £60-£80). The certificate would inform circuits about the energy rating of their manses and associated CO₂ emissions. It would also give a tailored report of the potential savings to be made and importantly, how the rating could be improved via appropriate energy saving measures, such as insulation.

5. Circuits should endeavour to provide smart meter devices to enable ministers to control their electricity use (cost c. £50 each). (This will be made mandatory for all UK homes by 2020.)

6.0 AIM 5

To enable churches to access funding external to the Connexion and the Connexional Team which are available for adaptation of buildings

6.1 Research has been undertaken to determine the level of support available to churches and manses. The Connexional Team has produced a guide to funding for carbon reduction and will be working to continually promote it.

7.0 Aim 6

To identify what Methodist grant funds could be made available. Also investigate reserves or long-term affordable loans which will enable Circuits to make necessary adaptations to buildings

7.1 This aim relates to Conference resolution 10/1d. The Methodist Church Fund for Property makes grants on a discretionary basis and in particular takes account of specific needs and how the priorities and mission will be met by the project. Environmentally friendly schemes and innovative ways of being church such as solar energy are now taken into account. The Connexion Grants Committee currently allocates a proportion of Connexional Priority Fund (CPF) for property grants. Major projects applying for a grant from CPF may include carbon reduction as part of the project. Currently extra funding from existing grants or Connexional loans are not available. However, very good interest free loans that can be accessed by churches are available from the government.

Comments on other aspects of the 2009 Conference resolutions

8.0 *The Conference welcomes measures planned or underway to assess and reduce the carbon footprint of the Connexional Team and requests that the Methodist Council remain appraised of progress [Resolution 10/1 (f)]*

8.1 Methodist Church House has undertaken an energy survey with consultancy assistance provided by the Carbon Trust. A baseline carbon footprint was established. The assessment noted that existing practice was already reasonably good and provided recommendations for further action. Tools will be put in place for better control, such as sensors for lighting systems along with monitoring and reporting on energy use. The Connexional Team, including Manchester and Peterborough offices, have signed up to the 10:10 campaign (www.1010uk.org) providing a focus for further action on carbon emissions in 2010.

9.0 *The Conference welcomes the introduction of the UK Climate Change Act but is deeply concerned that the UK Government has not articulated a strategy for achieving the rapid decarbonisation of the economy implied by this legislation and commensurate with the challenge that we face [Resolution 10/1 (g)].*

9.1 In conjunction with ecumenical partners the Joint Public Issues Team continues to engage with the government on UK Climate Change policy. The UNFCCC Copenhagen summit has been a key focus in 2009. A briefing on Copenhagen has supported individual action while press releases have made public the position of the Methodist Church. The President and Vice President of Methodist Conference participated in an ecumenical service held at Westminster Central Hall on 5 December

2009, an event facilitated by MRDF and the Connexional Team. It is worth noting the very strong contribution of the UK churches to the 5 December "Wave" demonstrations in London and Glasgow, which in London saw a turnout of an estimated 50,000 people.

9.2 The UNFCCC conference in Bonn, 31 May to 11 June 2010, and climate summit in Mexico in December 2010 provide a focus for continued international advocacy on climate change.

9.3 Many Methodists will be raising the issue of climate change in the context of the general election and the ecumenical general election briefing *Faith in Politics* prepared by the Joint Public Issues Team is available to guide such action. See www.churcheselection.org.uk (available from late January 2010).